

INDOT RIGHT OF WAY INCENTIVE PROGRAM

The Indiana Department of Transportation (INDOT) will offer incentive payments to owners and tenants of property to be acquired for right of way purposes on selected projects. The offers of incentive payments will accompany right of way acquisition offers and relocation moving costs (where applicable) on all parcels within the selected projects. Indiana law does not prohibit incentive payments.

PROGRAM GUIDELINES

Upon determination of the incentive program's propriety for a specific project, INDOT will prepare an incentive plan for retention in a Right of Way Incentive Program File. The file will retain all incentive records for all projects where it is applied and will be available for review by FHWA upon request. The project's incentive plan for each project will study the following items to estimate the cost effectiveness of the incentive payments achieved through a reduced right of way acquisition time frame, and other benefits to the traveling public over standard right of way development processes. (See Attachment A, INDOT Incentive Plan Cost Effectiveness Estimate).

- Market trends to identify the annual rate of increase in property values;
- Identify adequate available comparable replacement housing supply;
- The rate of inflation of construction costs (based on a 5 year average of PPI);
- The safety benefits to the traveling public resulting from the project's early completion;
- An otherwise eligible project may be eliminated from the program if circumstances warrant, as documented in a Cost Effectiveness Estimate.

Any advanced acquisition of property (at risk, protective or hardship acquisitions) for a selected project will not be offered an incentive since the reduction of time would not be a goal. Expenditure of public funds for incentives on advanced acquisitions could not be justified and would not reduce the development time.

Upon completion of right of way acquisitions, INDOT will tabulate the cost of the incentives paid and compare them to the estimated costs associated with standard right of way development. The final cost comparison will be maintained in the Right of Way Incentive Program File, to be reviewed by FHWA annually or as needed. (See Attachment B, INDOT Incentive Plan Final Cost Analysis).

PROJECT SELECTION GUIDELINES

Project selection criteria will be:

- estimated project construction cost exceeds \$25,000,000, or
- The project is considered critical to public safety, or
- The project involves emergency repairs to a facility. (Emergency repairs being defined as an emergency declaration signed by the Governor's Office.)

Upon review of the criteria INDOT will determine whether the use of the Incentive Program will reduce project development time resulting in significant savings or improved public safety. The plan will be reviewed for effectiveness each year for the first two years following authorization and as warranted thereafter. Individual projects that are subparts of a larger project, such as bridges within a major road project, will be included in the program and the cost review despite having separate project numbers assigned.

ACQUISITION INCENTIVE PLAN

Procedures

The incentive payment, while based upon the amount of the offer, is separate from the offer. The incentive payment is a motivational tool to encourage quick response time. The incentive payment does not preclude the use of an administrative settlement. INDOT is responsible for ensuring just compensation to the owner as a part of the offer or administrative settlement. The incentive payment should not affect the merit of an administrative settlement. However, the incentive offer will not include the administrative settlement in its calculation.

INDOT will make an incentive bonus payment to owners if they accept the purchase offer and sign conveyance documents within 30 days succeeding the date of the offer to acquire right of way. After that time the incentive offer will be withdrawn. In such cases of multiple owners receiving offers on different dates, the 30 days will begin as of the date that all owners have received an offer. However, a waiver of the 30 day acceptance requirement is possible under extraordinary circumstances where it is not feasible to accept within the 30 day period. The Manager of the Real Estate Section will have the authority to extend the offer for a reasonable time but not to exceed 15 additional days.

Additionally, the owner must convey a right of entry in bare land parcels encumbered with a mortgage; and/or, the owner must accept the Relocation Incentive Offer and comply with the procedures on parcels involving displacements, in order to receive the incentive payment. Since the purpose of the incentive offer is to reduce the time frame to possess the property, the incentive does not have value to INDOT if possession is delayed awaiting a mortgage release or for the property to be vacated.

INDOT will present the incentive payment offer (see Attachment C, INDOT Acquisition Incentive Offer) at the same time the offer to acquire right of way is presented to the property owner.

All documents to accept the offer, convey property and process payment must be signed within the 30 days. If these documents are returned to INDOT by mail the envelope must be post marked within the 30 day period. The Acceptance section of the Acquisition Incentive Offer will include an "assurance of no coercive action" clause, above the signature block, which states that the owner recognizes his right to review the offer for 30 days and waives this right, that the offer was accepted of the owner's free will and that no coercive actions were taken by the Department or its representatives.

Revised or amended appraisal amounts will be included in the incentive offer calculation.

Receipt of an incentive payment does not affect an owner's entitlement to relocation benefits.

Incentive payments involving the acquisition of tenant owned improvements, or cost to cures of tenant owned improvements, will be shared between the property owner and the tenant in shares proportionate to the value of the entire offer.

ACQUISITION INCENTIVE LIMITS

10% of the total offer amount, \$3,000 minimum payment, \$100,000 maximum payment.

Any administrative settlement amount is not included in calculating the 10%.

Parcels acquiring only Temporary Easements- 10% of the total offer amount, \$1,000 minimum, \$10,000 maximum.

RELOCATION INCENTIVE PLAN

Procedures

INDOT will offer a relocation incentive payment to displacees that vacate the property prior to the expiration of their 90 days of notice to vacate. The relocation agent will accompany the appraiser on his inspection in order to inventory the personal property to be moved and proceed to obtain a mover's estimate. The agent will identify the comparable replacement properties during the appraisal phase and have the replacement housing benefit information available at the time the offer is presented. The Relocation Incentive Payment Offer will be presented with the offer to purchase. The payment will be based on a sliding scale that decreases the payment for each 30 day period that passes prior to the move. No incentive will be offered during the last 10 days of the 90 day notice period.

Should INDOT fail to provide the Relocation Incentive Payment Offer at the same time they provide the Acquisition Incentive Payment Offer, the start of both the 30 day acceptance period for the Acquisition Incentive Payment and the 30 to 80 day acceptance period for the Relocation Incentive Payment, will be postponed until INDOT provides both offers to the eligible displacee.

INDOT will require any owner/occupant displacee accepting the Relocation Incentive Offer to also accept the Acquisition Incentive Offer.

The incentive payment for relocation benefits does not affect the calculation of a displacee's entitlements.

The incentive payment will be based on the cost of the move. For purposes of Incentive Payment calculation a landlord is not considered a displacee & the Incentive Payment is calculated only on the cost of the personal property move estimate. The Incentive Payment for a business will be based only on the personal property moving estimate without consideration of accessory moving costs such as reprinting of stationary and business cards, phone reconnections, etcetera.

The Relocation Incentive Offer (Attachment D), containing the conditions for acceptance, will be provided at the initial contact by the relocation agent. The Acceptance section of the Relocation Incentive Offer will include an "assurance of no coercive action and waiver of 90 day notice document" clause above the signature block which states that the owner recognizes his right to 90 day prior notice to vacate and waives this right, that the offer was accepted of the owner's free will and that no coercive actions were taken by the Department or its representatives.

RELOCATION INCENTIVE LIMITS

Displacee- 10% of the approved actual moving cost estimate or scheduled moving cost or any combination of both, \$5000 minimum payment, \$100,000 maximum payment.

100% w/in 30 days, 60% 31-60 days, 20% 61-80 days, 0% beyond 80 days.

Personal Property only- 10% of the approved actual moving cost or scheduled moving cost or any combination of both. \$1,000 minimum payment, \$100,000 maximum payment.

100% w/in 30 days, 60% 31-60 days, 20% 61-80 days, 0% beyond 80 days.

Minimum payments are reduced by the appropriate percentage based on the date of move after 30 days.

ATTACHMENT A
COST EFFECTIVENESS ESTIMATE

Project Des #:

Road:

County:

Letting date:

Estimated Construction Cost:

Estimated R/W Cost:

1. Safety Benefits to the traveling public from early project completion. (Review the Preliminary Engineering Document, Purpose & Need Statement in the EIS and interview INDOT project manager and district traffic engineer to determine what safety benefits are recognized by the traveling public from early project completion. Enter the narrative summary of comments below.)

2. The current annual rate of inflation of construction cost is *.

* To be obtained from the 5 year average of the PPI, as determined by INDOT Division of Accounting. Calculation assumes a one year time savings in letting date if condemnations are avoided.

Estimated construction cost is \$ _____.

Estimated increase in construction cost if project is delayed one year by r/w acquisitions. (\$_____ + ___% = \$ _____.

3. Available Housing Supply

Review the Relocation Survey and Plan for this project. Identify the housing to be acquired by this project. Research the subject market and identify the number of properties listed for sale that meet the definition of comparable for each residence to be acquired. Attach the listing data to the back of this report.

Parcel # Number of comps available

Parcel # Number of comps available

4. Market Trends/Rate of Inflation

Review the Engineer's Report and determine what types of properties will be acquired. Complete grid below for the appropriate types of properties on the project and attach the sales information to the back of this report. Resources may include MLS, County Agricultural Extension Agent, Purdue Research Foundation.

Property type	prior year sale price/unit value	current year sale price/unit value	% increase
Residential			
Residential Bareland			
Commercial			
Commercial Bareland			
Industrial			
Industrial Bareland			
Agricultural			

**ATTACHMENT B
FINAL COST ANALYSIS**

1. Acquisition incentives paid	\$
2. Relocation incentives paid	\$
3. Incentives Total	\$
4. Construction Cost Inflation estimate	\$
Subtract line 3 from line 4	Net savings or cost \$

ACQUISITION INCENTIVE OFFER

RE: Project: _____
Parcel: _____
Code: _____
Date: _____

The Indiana Department of Transportation (INDOT) is acquiring property interests on highway _____ under INDOT Project _____. As an owner you have been offered \$ _____ for the above referenced parcel. As part of this project, INDOT is offering an Acquisition Incentive Payment to owners. In order to be eligible for this incentive amount you must accept the offer and sign all conveyance documents within 30 calendar days of the offer dated _____.

Based upon the below calculations, INDOT is offering you:

Partial/Total Acquisition: 10% of the total offer amount. \$3,000.00 minimum / \$100,000.00 maximum.

<u>Offer Amount</u>	<u>Total Incentive Offer</u>
\$ _____	
x 10% = \$ _____	

Temporary R/W Only: 10% of total offer amount. \$1,000.00 minimum / \$10,000.00 maximum.

<u>Offer Amount</u>	<u>Total Incentive Offer</u>
\$ _____	
x 10% = \$ _____	

To receive the Acquisition Incentive Payment based upon the initial offer, the following must be met:

a. All documents to accept the offer, convey property interest, and process payment must be signed within 30 calendar days of the initial offer. If returned to INDOT by mail the post mark must be dated within the 30 day period. After the 30-day period, the Acquisition Incentive Offer is considered withdrawn and void.

b. The Owner must convey a Right of Entry in bare land parcels encumbered by a mortgage or other lien; or the Owner must comply with the Relocation Incentive Offer procedures on parcels involving displacements or personal property.

Payment for the Acquisition Incentive will be made within 30 days after the submittal of all necessary documentation and signed claim forms, including any necessary waivers or rights of entry.

By signing the acceptance of the above described Acquisition Incentive Offer, the Owners acknowledge and state that they understand and accept all the conditions of the Acquisition Incentive Offer, that notwithstanding their rights under federal and state law, including the right to review the offer for 30 days, the Owners acknowledge that this project has an important public purpose and in the public interest, the Owners waive these rights, and agree to the terms and conditions as set forth. This Acquisition Incentive Offer is accepted of the Owners free will and no coercive action was taken by the Indiana Department of Transportation or its representatives.

Acceptance

_____	_____
Owner	Date

_____	_____
Owner	Date

_____	_____
Owner	Date

_____	_____
Owner	Date

The Above Agreement is hereby accepted

_____	_____
(Signature)	Date

(Print Name)

(Title)
Indiana Department of Transportation
Division of Production Management
Office of Real Estate

RELOCATION INCENTIVE OFFER

RE: Project: _____
Parcel: _____
Code: _____
Date: _____

The Indiana Department of Transportation (INDOT) is acquiring property interests on highway _____ under INDOT Project _____. As a displacee you are entitled to reimbursement for moving expenses. As a part of this project, INDOT is offering a Relocation Incentive Payment to displacees that vacate the property prior to the expiration of their 90 days of notice to vacate. In order to be fully eligible for this incentive amount you must vacate the property within 30 days of _____. After the initial 30 days the incentive amount will be reduced as cited in the scale below based upon the 90 Days Notice to Vacate dated _____. This payment will be based upon the estimated cost of the personal property move and is on a sliding scale that decreases the payment for each 30 day period that passes prior to the move. Based upon the below calculations, INDOT is offering you:

Displacee: 10% of the approved actual moving cost estimate or scheduled moving cost or some mixture from both. Minimum payment will be as shown below / Maximum payment \$100,000.00. Minimum payments are reduced by the appropriate percentage based upon the date of move after 30 days.

<u>Property Vacated</u>	<u>Moving Cost*</u>	<u>Total Incentive</u>
Within 30 days	\$_____ x 10% = \$_____ x 100% = \$_____	(\$5,000.00 minimum)
Within 31-60 days	\$_____ x 10% = \$_____ x 60% = \$_____	(\$2,000.00 minimum)
Within 61-80 days	\$_____ x 10% = \$_____ x 20% = \$_____	(\$1,000.00 minimum)
Beyond 80 days	\$_____ x 10% = \$_____ x 00% = \$_____	(\$00.00 minimum)

Personal Property Only: 10% of the approved actual moving cost or scheduled moving cost or any combination of both. Minimum payment as shown below / Maximum payment \$100,000.00. Minimum payments are reduced by the appropriate percentage based upon the date of move after 30 days.

<u>Property Vacated</u>	<u>Moving Cost*</u>	<u>Total Incentive</u>
Within 30 days	\$_____ x 10% = \$_____ x 100% = \$_____	(\$1,000.00 minimum)
Within 31-60 days	\$_____ x 10% = \$_____ x 60% = \$_____	(\$600.00 minimum)
Within 61-80 days	\$_____ x 10% = \$_____ x 20% = \$_____	(\$200.00 minimum)
Beyond 81 days	\$_____ x 10% = \$_____ x 00% = \$_____	(\$00.00 minimum)

*Based on the scheduled moving cost of the room count. If you choose to hire a mover and receive the actual moving cost, the amount to be used in the calculation of the incentive payment will be the approved amount of the mover's estimate.

The incentive payment will not affect the calculation of the Displacee's entitlements or Displacee's right to appeal the replacement housing entitlement. In order to accept the Relocation Incentive Payment, the Displacee is also required to accept the Acquisition Incentive Offer.

Payment will be made within 30 days after vacating the property, the submittal of all necessary documentation and signed claim forms.

By signing the acceptance of the above described Relocation Incentive Offer, the Displacees acknowledge and state that they understand and accept all the conditions of the Relocation Incentive Offer, that notwithstanding their rights under federal and state law, including the right to the 90-day notice to vacate, the Displacees acknowledge that this project has an important public purpose and is in the public interest, the Displacees waives these rights, and agree to the terms and conditions as set forth. This Relocation Incentive Offer is accepted of the Displacee's free will and no coercive action was taken by the Indiana Department of Transportation or its representatives.

Acceptance:

_____	_____
Displacee	Date

_____	_____
Displacee	Date

_____	_____
Displacee	Date

_____	_____
Displacee	Date

The Above Agreement is hereby accepted

_____	_____
(Signature)	Date

(Print Name)

(Title)
Indiana Department of Transportation
Division of Production Management
Office of Real Estate